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Sean C. Southard

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*Proposed Counsel to the Debtor and Debtor in
Possession*

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11
	:	
DOWLING COLLEGE,	:	Case No. 16-75545(REG)
	:	
	:	
Debtor.	:	
-----X		

**NOTICE OF FILING OF PROPOSED EMERGENCY BUDGET
FOR PERIOD ENDING DECEMBER 16, 2016**

PLEASE TAKE NOTICE that on November 29, 2016, Dowling College (the “Debtor”) filed a petition for relief under Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”).

PLEASE TAKE FURTHER NOTICE that on November 29, 2016, the Debtor filed the Debtor’s Motion for Entry of Interim and Final Orders (I) Authorizing Debtor (A) to Obtain Post-Petition Secured, Superpriority Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364 and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Adequate Protection to Pre-Petition Secured Creditors Pursuant to 11 U.S.C. § 363; and Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and 4001(c) (the “DIP Financing Motion”) [DE 9].

PLEASE TAKE FURTHER NOTICE that an emergency hearing on the DIP Financing Motion is scheduled for December 2, 2016 at 10:00 a.m. (the “Emergency Hearing”)

PLEASE TAKE FURTHER NOTICE that in advance of the Emergency Hearing, the Debtor and the DIP Lenders (as defined in the DIP Financing Motion) have agreed to a budget for the three (3) weeks ending December 16, 2016 (the “Emergency Budget”).

PLEASE TAKE FURTHER NOTICE that a copy of the Emergency Budget is annexed hereto as **Exhibit A**.

Dated: New York, New York
December 1, 2016

**KLESTADT WINTERS JURELLER
SOUTHARD & STEVENS, LLP**

By: /s/ Sean C. Southard_____

Sean C. Southard

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*Proposed Counsel for the Debtor and
Debtor in Possession*

Exhibit A

DOWLING COLLEGE
CHAPTER 11 CASH FLOW FORECAST - BY BOND SERIES
FOR THE 3-WEEK PERIOD ENDING DECEMBER 16, 2016
USD

	Week #:	1	2	3	Weeks 1-3
	Period Ending Friday:	12/2/2016	12/9/2016	12/16/2016	Total
Cash Disbursements: (1)					
Administrative Overhead / Term Loan D					
Gross Wages/Salaries (incl. employer taxes)		26,408	-	26,408	52,815
General Insurance		35,058	-	-	35,058
Professionals (2)					
Klestadt		-	-	-	-
Ingerman Smith, L.L.P.		-	-	-	-
Special Counsel - ERISA - TBD		-	-	-	-
RSR Consulting, LLC		-	-	5,000	5,000
Chapter 11 Creditors Committee		-	-	-	-
Student Refunds / Records Scanning		-	-	-	-
Health, Medical, Unemployment Claims and Related		-	-	-	-
Claims Agent		-	-	20,000	20,000
Administrative		-	1,700	500	2,200
Adequate Assurance		-	-	-	-
U.S. Trustee Fees		-	-	-	-
All Other Professional Fees		-	-	-	-
DIP Interest and Fees		89,735	-	-	89,735
Other		3,750	3,750	3,750	11,250
Total Administrative Overhead / Term Loan D		154,951	5,450	55,658	216,059
2006 Bond Series - 68.0%		105,367	3,706	37,847	146,920
2002 Bond Series - 18.2%		28,201	992	10,130	39,323
2015 Bond Series - 13.8%		21,383	752	7,681	29,816
Collateral Preservation					
Series 2006 Bonds / Term Loan A					
Gross Wages/Salaries (incl. employer taxes)		3,189	-	3,189	6,378
General Insurance		12,039	-	-	12,039
Utilities		21,706	67,476	21,706	110,889
Security Personnel		20,151	20,151	20,151	60,453
Property Management		-	-	-	-
Other Outside Services		10,554	13,077	7,406	31,037
Facility Maintenance		1,000	1,000	1,000	3,000
Real Estate Taxes		-	-	-	-
Landscaping / Snow Removal		8,528	-	-	8,528
Sales Broker - Marketing		43,559	13,845	5,867	63,271
Brookhaven Site Planning		-	8,000	-	8,000
DIP Interest and Fees		91,170	-	-	91,170
Other		3,779	6,572	3,139	13,490
Total Series 2006 Bonds / Term Loan A		215,675	130,121	62,459	408,255

DOWLING COLLEGE
 CHAPTER 11 CASH FLOW FORECAST - BY BOND SERIES
 FOR THE 3-WEEK PERIOD ENDING DECEMBER 16, 2016
USD

	Week #:	1	2	3	Weeks 1-3
	Period Ending Friday:	12/2/2016	12/9/2016	12/16/2016	Total
Series 2002 Bonds / Term Loan B					
Gross Wages/Salaries (incl. employer taxes)		-	-	-	-
General Insurance		-	-	-	-
Utilities		2,194	6,214	2,194	10,601
Security Personnel		1,865	1,865	1,865	5,595
Property Management		-	-	-	-
Other Outside Services		5,783	7,600	500	13,883
Facility Maintenance		500	500	500	1,500
Real Estate Taxes		-	-	-	-
Landscaping / Snow Removal		1,975	-	-	1,975
Sales Broker - Marketing		-	-	-	-
Brookhaven Site Planning		-	2,000	-	2,000
DIP Interest and Fees		13,074	-	-	13,074
Other		453	606	304	1,363
Total Series 2002 Bonds / Term Loan B		25,843	18,785	5,363	49,990
Series 2015 Bonds / Term Loan C					
Gross Wages/Salaries (incl. employer taxes)		-	-	-	-
General Insurance		17,962	-	-	17,962
Utilities		150	6,360	150	6,660
Security Personnel		-	-	-	-
Property Management		-	-	-	-
Other Outside Services		55	-	-	55
Facility Maintenance		-	500	-	500
Real Estate Taxes		-	-	-	-
Landscaping / Snow Removal		1,398	-	-	1,398
Sales Broker - Marketing		-	-	-	-
Brookhaven Site Planning		-	-	-	-
DIP Interest and Fees		10,020	-	-	10,020
Other		563	563	563	1,688
Total Series 2015 Bonds / Term Loan C		30,148	7,423	713	38,283
Total Cash Disbursements		426,617	161,778	124,192	712,586

DOWLING COLLEGE
CHAPTER 11 CASH FLOW FORECAST - BY BOND SERIES
FOR THE 3-WEEK PERIOD ENDING DECEMBER 16, 2016
USD

Week #:	1	2	3	Weeks 1-3
Period Ending Friday:	12/2/2016	12/9/2016	12/16/2016	Total

DIP TRANCHE SUMMARY

DIP FUNDING - WEEKLY

Term Loan A / Series 2006 Bonds	215,675	130,121	62,459	408,255
Term Loan B / Series 2002 Bonds	25,843	18,785	5,363	49,990
Term Loan C / Series 2015 Bonds	30,148	7,423	713	38,283
Term Loan D / Administrative Overhead:				
Series 2006 Bonds (68.0%)	105,367	3,706	37,847	146,920
Series 2002 Bonds (18.2%)	28,201	992	10,130	39,323
Series 2015 Bonds (13.8%)	21,383	752	7,681	29,816
Subtotal - Term Loan D	154,951	5,450	55,658	216,059
Total DIP Funding - Weekly	426,617	161,778	124,192	712,586

DIP FUNDING - CUMULATIVE

Term Loan A / Series 2006 Bonds	215,675	345,796	408,255	408,255
Term Loan B / Series 2002 Bonds	25,843	44,627	49,990	49,990
Term Loan C / Series 2015 Bonds	30,148	37,570	38,283	38,283
Term Loan D / Administrative Overhead:				
Series 2006 Bonds (68.0%)	105,367	109,073	146,920	146,920
Series 2002 Bonds (18.2%)	28,201	29,193	39,323	39,323
Series 2015 Bonds (13.8%)	21,383	22,135	29,816	29,816
Subtotal - Term Loan D	154,951	160,401	216,059	216,059
Total DIP Funding - Cumulative	426,617	588,394	712,586	712,586

INCURRED/UNPAID PROFESSIONAL FEES

Term Loan D / Administrative Overhead:				
Series 2006 Bonds (68.0%)	10,710	21,420	33,830	33,830
Series 2002 Bonds (18.2%)	2,867	5,733	9,055	9,055
Series 2015 Bonds (13.8%)	2,174	4,347	6,866	6,866
Total Incurred/Unpaid Professional Fees	15,750	31,500	49,750	49,750

TOTAL DIP COMMITMENT - CUMULATIVE

Term Loan A / Series 2006 Bonds	215,675	345,796	408,255	408,255
Term Loan B / Series 2002 Bonds	25,843	44,627	49,990	49,990
Term Loan C / Series 2015 Bonds	30,148	37,570	38,283	38,283
Term Loan D / Administrative Overhead:				
Series 2006 Bonds (68.0%)	116,077	130,493	180,750	180,750
Series 2002 Bonds (18.2%)	31,068	34,926	48,377	48,377
Series 2015 Bonds (13.8%)	23,557	26,482	36,682	36,682
Subtotal - Term Loan D	170,701	191,901	265,809	265,809
Total DIP Commitment - Cumulative	442,367	619,894	762,336	762,336

MEMO: TOTAL DIP COMMITMENT - CUMULATIVE

Series 2006 Bonds	331,752	476,289	589,005	589,005
Series 2002 Bonds	56,910	79,553	98,368	98,368
Series 2015 Bonds	53,704	64,052	74,964	74,964
Total DIP Commitment - Cumulative	442,367	619,894	762,336	762,336

DOWLING COLLEGE
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 FOR THE 3-WEEK PERIOD ENDING DECEMBER 16, 2016
USD

Week #:	1	2	3	Weeks 1-3
Period Ending Friday:	12/2/2016	12/9/2016	12/16/2016	Total

NOTES:

(1) The college is assumed to operate in bankruptcy on a zero cash basis with all required disbursements funded under the DIP loan facility. Any proceeds from the use or sale of collateral or any other miscellaneous cash inflows are assumed to be swept by the lenders to repay DIP borrowings or secured debt and are not reflected in the budget. If it is ultimately determined that the Debtor's cash of approximately \$222,000 is deemed unrestricted, such funds will be utilized to fund budgeted disbursements prior to the use of DIP financing funds and will reduce the applicable DIP commitments on a dollar-for-dollar basis.

(2) Refer to the Professional Fees supporting schedule attached for detail of professional fees expected to be incurred during the interim period. The scheduled indicates the amounts projected to be charged against existing retainers, the amounts to be paid in cash and the amounts incurred and projected to be unpaid at the end of the interim period due to timing of disbursements, filing of fee applications and required holdback amounts.

DOWLING COLLEGE

CHAPTER 11 CASH FLOW FORECAST - PROFESSIONAL FEES DETAIL

FOR THE 3-WEEK PERIOD ENDING DECEMBER 16, 2016

USD

	Week #:			
	1	2	3	Weeks 1-3
Period Ending Friday:	12/2/2016	12/9/2016	12/16/2016	Total
Professional Fees Incurred				
Klestadt	\$ 22,500	\$ 22,500	\$ 22,500	\$ 67,500
Ingerman Smith, L.L.P.	5,000	5,000	5,000	15,000
Special Counsel - ERISA - TBD	-	-	2,500	2,500
RSR Consulting, LLC	35,000	35,000	35,000	105,000
Chapter 11 Creditors Committee	6,250	6,250	6,250	18,750
Total Professional Fees Incurred	\$ 68,750	\$ 68,750	\$ 71,250	\$ 208,750
Professional Fees Cash Disbursements				
Klestadt	\$ -	\$ -	\$ -	\$ -
Ingerman Smith, L.L.P.	-	-	-	-
Special Counsel - ERISA - TBD	-	-	-	-
RSR Consulting, LLC	-	-	5,000	5,000
Chapter 11 Creditors Committee	-	-	-	-
Total Professional Fees Cash Disbursements	\$ -	\$ -	\$ 5,000	\$ 5,000
Professional Fees Retainers Applied				
Klestadt	\$ 18,000	\$ 18,000	\$ 18,000	\$ 54,000
Ingerman Smith, L.L.P.	-	-	-	-
Special Counsel - ERISA - TBD	-	-	-	-
RSR Consulting, LLC	35,000	35,000	30,000	100,000
Chapter 11 Creditors Committee	-	-	-	-
Total Professional Fees Cash Disbursements	\$ 53,000	\$ 53,000	\$ 48,000	\$ 154,000
Professional Fees Incurred Not Paid Balance				
Klestadt	\$ 4,500	\$ 9,000	\$ 13,500	\$ 13,500
Ingerman Smith, L.L.P.	5,000	10,000	15,000	15,000
Special Counsel - ERISA - TBD	-	-	2,500	2,500
RSR Consulting, LLC	-	-	-	-
Chapter 11 Creditors Committee	6,250	12,500	18,750	18,750
Total Professional Fees Incurred Not Paid Balance	\$ 15,750	\$ 31,500	\$ 49,750	\$ 49,750